Income Tax on profits of exporters

2864. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have imposed Income Tax on profit earned by exporters through the sale of Duty Entitlement Pass Book credit;

(b) if so, the details thereof;

(c) whether the export promotion bodies have launched an agitation against this move of Government;

(d) if so, the details thereof; and

(e) Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) As per existing provisions of the Income Tax Act, 1961, profit on sale of Duty Entitlement Pass Book credit is not eligible for deduction under section 80 HHC.

(c) to (e) On a reference from exporters, the matter was referred to Prime Minister's Economic Advisory Council. The Council has recently submitted its report. Action has been initiated for implementation of the recommendations of the Council.

Review of service tax

2865. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) the details of sectors on which service tax at present is imposed by Government;

(b) whether it is a fact that his Ministry propose to review the Service Tax on some of the sectors like shipping and management consultancy; and

(c) the reasons for reviewing the (a) above?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) At present, service tax is leviable on eighty four services specified under section 65(105) of the Finance Act, 1994.

(b) At present, there is no proposal under the consideration of the Government to review the levy of service tax on shipping sector and management consultancy.

(c) Does not arise in view of (b) above.

Issue of ten thousand rupee note

2866. SHRI RAJU PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to issue new currency notes and coins during the current financial year;

(b) if so, the details thereof; and

(c) whether Government are also considering of issuing Ten Thousand rupee note and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. As per information received from the RBI, new series of bank notes with additional/new security features are likely to be issued shortly.

Government have also decided to issued new design coins in the denominations of Re.1, Rs.2, Rs.5 and Rs.10 which are expected to be issued next year.

(c) No such proposal is under consideration.

Refusal by banks to accept Fringe Benefits Tax

2867. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that due to non-updated software, many banks are refusing to accept Fringe Benefits Tax (FBT) payments by their corporate clients;

(b) if so, whether Government are contemplating extension of deadline of submission of FBT by corporate further from August 15; and

(c) whether Government are contemplating any other directions or guidelines to help ease in submission of FBT returns by businesses, both small and large?